



In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Section, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

(A) Expense Coverage

The **Company** shall reimburse the **Parent Corporation** for:

- (1) **Workplace Violence Expenses** incurred by an **Insured Organization** resulting from **Workplace Violence**; or
- (2) **Stalking Threat Expenses** incurred by an **Insured Organization** resulting from a **Stalking Threat**.

(B) Business Income Coverage

The **Company** shall reimburse the **Parent Corporation** for the actual lost **Business Income** incurred by an **Insured Organization** due to the actual suspension of **Operations** during the **Period of Restoration** or an order by a civil authority prohibiting access to the **Premises**, in whole or in part, resulting from **Workplace Violence**.

(C) Loss of Life Coverage

The **Company** shall pay a **Benefit Amount** for **Loss of Life** of an **Employee** resulting from **Workplace Violence**.

II. DEFINITIONS

For purposes of this Coverage Section:

(A) **Benefit Amount** means the amount the **Company** shall pay as a result of **Loss of Life** of an **Employee** and such amount shall be twenty-five thousand dollars (\$25,000).

(B) **Business Income** means:

- (1) The sum of:
 - (a) net profit before income taxes that would have been earned had no **Workplace Violence** occurred;
 - (b) the actual cost of continuing, on a curtailed basis, activities which are necessary for the **Insured Organization** to resume operations with substantially the same quality of service which existed immediately preceding the **Workplace Violence**; and
 - (c) reasonable expenses which would not have been incurred except for such **Workplace Violence** and which were incurred by the **Insured Organization** for the sole purpose of reducing loss described in (B)(1)(a) and (B)(1)(b) of this definition, not to exceed the amount of actual reduction of such loss;



- (2) less the sum of:
- (a) all recoveries, insurance, suretyship and other indemnity which would cover loss described in (B)(1) above in the absence of this coverage; and
 - (b) the amount by which the **Insured Organization** fails to reduce loss described in (B)(1) above through any reasonable measures.
- (C) **Employee** means any natural person in the regular service of an **Insured Organization** in the ordinary course of such **Insured Organization's** business, whom such **Insured Organization** governs and directs in the performance of such service, including any **Executive**, and any part-time, seasonal, leased and temporary employees as well as volunteers. **Employee** shall not mean independent contractor.
- (D) **Executive** means any natural person specified below:
- (1) duly elected or appointed directors, officers, members of the Board of Managers or management committee members of any **Insured Organization** incorporated in the United States of America;
 - (2) in-house general counsel of any **Insured Organization** incorporated in the United States of America; or
 - (3) equivalent positions of (1) or (2) above in any **Insured Organization** chartered in any other jurisdiction anywhere in the world.
- (E) **Guest** means any natural person visiting the **Premises** for a lawful purpose.
- (F) **Insured** means the **Insured Organization** and any **Insured Person**.
- (G) **Insured Person** means:
- (1) any **Employee**;
 - (2) any customer or **Guest** of the **Insured Organization** on the **Premises**.
- (H) **Loss of Life** means death, including clinical death, determined by a medical examiner or similar local governing medical authority.
- (I) **Operations** means business activities of the **Insured Organization** at the **Premises** prior to the **Workplace Violence**.
- (J) **Period of Restoration** means the period of time which begins seventy-two (72) hours following the actual suspension of **Operations** as described in Insuring Clause (B); and ends on the earlier of:
- (1) the date **Operations** are restored by the **Insured Organization**, with due diligence and dispatch, to the level that existed prior to the **Workplace Violence**;
 - (2) ninety (90) days after such suspension of **Operations**; or
 - (3) thirty (30) days after a civil authority denies the **Insured** access to the **Premises**.
- Expiration of this Coverage Section will not reduce the **Period of Restoration**.



- (K) **Premises** means buildings, facilities or properties occupied by an **Insured Organization** in conducting its business.
- (L) **Relatives** means spouses, domestic partners, and lineal descendants. Lineal descendants include adopted children, foster children and stepchildren.
- (M) **Salary** means compensation an **Insured Organization** pays an **Employee**, including but not limited to bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.
- (N) **Stalking Threat** means conduct, other than **Workplace Violence**, that:
- (1) demonstrates an intent to harm an **Employee** or an **Insured Organization**; and
 - (2) is by a natural person who is the subject of a temporary restraining order, injunction or similar court order, the purpose of which is to protect such **Employee** or **Insured Organization** from such natural person;
- provided that, such **Employee** gives the **Insured Organization** notice of such restraining order prior to such conduct.
- (O) **Stalking Threat Expenses** means the reasonable fees and expenses for, or cost of:
- (1) an independent security consultant to assess the **Stalking Threat**;
 - (2) independent security guard services for up to fifteen (15) days; and
 - (3) other reasonable expenses incurred by an **Insured Organization**, subject to the **Company's** prior written approval.
- (P) **Workplace Violence Expenses** means the reasonable fees and expenses for, or cost of:
- (1) an independent security consultant for ninety (90) days following the date **Workplace Violence** occurs;
 - (2) an independent public relations consultant for ninety (90) days following the date **Workplace Violence** occurs;
 - (3) a counseling seminar for all **Employees** conducted by an independent consultant following **Workplace Violence**;
 - (4) independent security guard services for up to fifteen (15) days;
 - (5) an independent forensic analyst;
 - (6) the **Salary** which an **Insured Organization** continues to pay an **Employee** who has been a victim of **Workplace Violence**. Coverage shall apply to the **Salary** in effect at the time of such **Workplace Violence** and will end ninety (90) days following the date such **Workplace Violence** occurs;
 - (7) the salary or wages which an **Insured Organization** pays a newly hired natural person to conduct the duties of an **Employee** who has been a victim of **Workplace Violence**. Coverage shall apply to such **Salary** in effect at the time of such **Workplace Violence** and will end ninety (90) days following the date such **Workplace Violence** occurs;



- (8) a reward paid by an **Insured Organization** to a natural person who provides information leading to the arrest and conviction of the person(s) responsible for **Workplace Violence**;
 - (9) reasonable medical, cosmetic, psychiatric and dental expenses of an **Insured Person** who is a victim of **Workplace Violence**;
 - (10) reasonable expenses of rest and rehabilitation of an **Insured Person** and the **Insured Person's Relatives**, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following the date **Workplace Violence** occurs; and
 - (11) other reasonable expenses incurred by an **Insured Organization**, subject to the **Company's** prior written approval.
- (Q) **Workplace Violence** means any intentional and unlawful act:
- (1) of deadly force involving the use of a lethal weapon; or
 - (2) threat of deadly force involving the display of a lethal weapon;
- which occurs on or in the **Premises** and which did or could result in bodily injury or death to an **Insured Person**.

III. EXCLUSIONS

No coverage will be available under this Coverage Section for:

- (A) **Workplace Violence** which occurs at any location other than the **Premises**;
- (B) loss arising from declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization;
- (C) legal costs, judgments and settlements incurred as the result of any claim, suit or judicial action brought against an **Insured Organization** in connection with **Workplace Violence** or **Stalking Threat**;
- (D) any loss resulting from the use or threat of force or violence occurring on the **Premises** for the purpose of demanding money, securities or property; or
- (E) loss unless the **Workplace Violence** or **Stalking Threat** occurs or is directly or indirectly communicated to any **Insured**, prior to the:
 - (1) termination of this Coverage Section as to such **Insured** and is discovered and communicated in writing to the **Company** within sixty (60) days following the effective date of such termination;
 - (2) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the **Company** within sixty (60) days following the effective date of such termination;
 - (3) termination of this Coverage Section in its entirety and is discovered and communicated in writing to the **Company** within sixty (60) days following the



effective date of such termination, if this Coverage Section is not renewed with the **Company**; or

- (4) termination of this Coverage Section in its entirety and is discovered and communicated in writing to the **Company** prior to such termination, if this Coverage Section is renewed with the **Company**.

IV. BENEFICIARY

The **Benefit Amount** for **Loss of Life** will be paid to the **Employee's** designated beneficiary. If an **Employee** has not designated a beneficiary, or if the designated beneficiary is not alive, the **Company** will pay the **Benefit Amount** in the following order:

- (1) to the spouse or domestic partner;
- (2) in equal shares to the surviving children;
- (3) in equal shares to the surviving parents;
- (4) in equal shares to the surviving brothers and sisters; or
- (5) to the estate,

of the **Employee**.

V. LIABILITY FOR PRIOR LOSSES

- (A) Coverage shall be available for loss as a result of **Workplace Violence** or **Stalking Threat** which occurred or was communicated, prior to the inception date of this Coverage Section, prior to the effective date of coverage for any additional **Insureds** or prior to the effective date of any coverage added by endorsement, if:
 - (1) an **Insured Organization** or some predecessor in interest of such **Insured Organization** carried a prior bond or policy, which at the time such **Workplace Violence** or **Stalking Threat** occurred or was communicated, afforded some or all of the coverage of an Insuring Clause under this Coverage Section applicable to such prior loss;
 - (2) such coverage continued without interruption from the time such loss was sustained until the inception date or effective date(s) as described in paragraph (A) above; and
 - (3) such loss was first discovered by an **Insured** after the time allowed for discovery under the last such policy.
- (B) If such prior bond or policy carried by the **Insured** or predecessor in interest of such **Insured** was issued by the **Company** or its affiliates, such prior bond or policy shall terminate as of the inception of this Coverage Section and such prior bond or policy shall not cover any loss not discovered and noticed to the **Company** prior to the inception of this Coverage Section.
- (C) The **Insured** will neither be entitled to a separate recovery under each policy in force at the time such **Workplace Violence** or **Stalking Threat** occurred or was communicated, sustained or discovered, nor will the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The **Company's** maximum liability will not exceed the lesser of the limit of liability of the policy in force at the time such **Workplace Violence** or **Stalking Threat** occurred or was



communicated or the applicable Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section.

VI. LIMITS OF LIABILITY

- (A) The **Company's** maximum liability for each loss shall not exceed the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section, regardless of the number of **Insureds** sustaining the loss.
 - (B) The payment of loss under this Coverage Section will not reduce the liability of the **Company** for other losses; provided that the **Company's** maximum liability for each loss shall not exceed the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section.
 - (C) All loss resulting from a single act or series of related acts committed by a person or group in which the same **Insured** is concerned or implicated, whether loss covered under Insuring Clauses (A), (B) or (C), will be treated as a single loss.
 - (D) The maximum liability of the **Company** for each **Employee's Loss of Life** will be the **Benefit Amount** and such amount shall be a part of, not in addition to, the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section. If more than one **Employee** suffers covered **Loss of Life** from a single act or a series of related acts of **Workplace Violence**, the **Company's** maximum liability for all **Benefit Amount(s)** shall be the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section, provided that if such total **Benefit Amount(s)** exceed the available Limit of Liability of this Coverage Section, such available Limit of Liability shall be divided proportionately among such **Employees'** beneficiaries.
 - (E) The **Company's** maximum liability for **Business Income** covered from a single act of **Workplace Violence** or series of related acts of **Workplace Violence** shall be twenty five percent (25%) of the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section up to a maximum of \$1,000,000. Such amount shall be a part of, not in addition to, the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section.
 - (F) The **Company's** maximum aggregate liability for all the rest and rehabilitation **Workplace Violence Expenses** covered from a single act of **Workplace Violence** or series of related acts of **Workplace Violence** shall be fifty thousand dollars (\$50,000). Such amount shall be a part of, not in addition to, the Limit of Liability as set forth in Item 2 of the Declarations of this Coverage Section.
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VII. NON-ACCUMULATION OF LIABILITY

- (A) When there is more than one **Insured**, the maximum liability of the **Company** for loss sustained by one or all **Insureds** shall not exceed the amount for which the **Company** would be liable if all losses were sustained by any one **Insured**.
 - (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the amount the **Company** shall pay for a loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.
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VIII. LOSS SUSTAINED

All loss shall be deemed to have been sustained:

- (A) under Insuring Clause (A): at the time of the payment of incurred **Workplace Violence Expenses** or **Stalking Threat Expenses** by the **Insured Organization**;
 - (B) under Insuring Clause (B): upon the expiration of the **Period of Restoration**; or
 - (C) under Insuring Clause (C): at the time the **Loss of Life** occurs.
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IX. PROOF OF LOSS AND LEGAL PROCEEDINGS

- (A) As a condition precedent to coverage hereunder:
 - (1) a loss must occur or be communicated to an **Insured**; and
 - (2) the **Parent Corporation** must furnish a proof of loss with full particulars to the **Company** within six (6) months after such loss is sustained or communicated to an **Insured**.
 - (B) No **Insured** shall institute legal proceedings against the **Company** for recovery of any loss hereunder, after the expiration of a period of two (2) years, or any minimum period of time required by law, immediately following the time such loss was sustained.
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X. VALUATION AND FOREIGN CURRENCY

The **Company** shall pay the United States of America dollar value of foreign currency based on the rate of exchange published in *The Wall Street Journal* on the day loss involving foreign currency is discovered.

XI. OTHER INSURANCE

If any loss under this Coverage Section is insured under any other valid and collectible insurance policy(ies), prior or current, then this Coverage Section shall cover such loss, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such loss is in excess of the amount of such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided in this Coverage Section.
